

**UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA**

LEXINGTON INSURANCE COMPANY,

Plaintiff,

- against -

DAVID FORREST, T. BEAUCLERC ROGERS IV,  
STANLEY MUNSON, MARTIN FINK, all individually,  
and NEW BEGINNINGS ENTERPRISES LLC, a California  
Limited Liability Company, and TARLO LYONS, a  
partnership,

Defendants.

Civil Action No. 02-CV-4435  
(Hon. Anita B. Brody)

**DECLARATION OF  
EDWARD P. KRUGMAN IN  
OPPOSITION TO THE  
MOTIONS TO DISMISS OF  
DEFENDANTS STANLEY  
MUNSON AND TARLO LYONS**

EDWARD P. KRUGMAN declares under penalty of perjury pursuant to 28 U.S.C. § 1746 as follows:

1. I am a member of the law firm of Cahill Gordon & Reindel LLP and am admitted *pro hac vice* in this action as counsel for plaintiff, Lexington Insurance Company. Messrs. Jeffrey Lerman and Glenn Rosenblum, of Montgomery, McCracken, Walker & Rhodes LLP, are also counsel for Lexington herein.
2. I make this Declaration to put before the Court the documents referred to in Lexington's Memorandum of Law in opposition to the motions to dismiss of defendants Stanley Munson and Tarlo Lyons.
3. Attached as Exhibit A is a true and correct copy of a December 1, 1996 letter prepared by defendant T. Beauclerc Rogers IV ("Rogers").
4. Attached as Exhibit B is a true and correct copy of a November 18, 1998 Memorandum from Susan Wright to Stanley Munson ("Munson") and others.

5. Attached as Exhibit C are true and correct copies of a February 3, 1998 letter from Munson to Martin Fink ("Fink"), a July 3, 1997 letter from Munson to Leslie Richards in Sedona, Arizona, and a July 17, 1997 letter from Munson to Fink.

6. Attached as Exhibit D is a true and correct copy of a November 26, 1997 letter from Munson to David Forrest ("Forrest").

7. Attached as Exhibit E is a true and correct copy of an excerpt from the Collateral Agreement between Lexington and Flashpoint (UK) Limited, dated July 6, 1998, with respect to the Jules Verne TV Series (Hollywood Funding No. 4).

8. Attached as Exhibit F is a true and correct copy of an April 13, 1998 fax from Fink to Munson.

9. Attached as Exhibit G is a true and correct copy of an April 15, 1998 fax from Fink to Forrest.

10. Attached as Exhibit H is a true and correct copy of a May 11, 1998 fax from Fink to Munson.

11. Attached as Exhibit I is a true and correct copy of an April 22, 1998 fax from Fink to Munson.

12. Attached as Exhibit J is a true and correct copy of an October 3, 1998 from Fink to Munson.

13. Attached as Exhibit K is a true and correct copy of a September 27, 1999 letter from Munson to Rogers, Forrest and others.

14. Attached as Exhibit L is a true and correct copy of a February 27, 1998 letter from Fink to Munson.

15. Attached as Exhibit M is a true and correct copy of a September 18, 1998 letter from Munson to Fink.

16. Attached as Exhibit N is a true and correct copy of a November 26, 1997 letter from Munson to Serge Rodnunsky of Rojak Films.

17. Attached as Exhibit O is a true and correct copy of an August 19, 1998 letter from Munson to Rogers.

18. Attached as Exhibit P is a true and correct copy of a November 6, 1998 letter from Munson to Rogers.

19. Attached as Exhibit Q is a true and correct copy of a May 27, 1997 fax from Rogers to Munson.

20. Attached as Exhibit R are true and correct copies of the following documents from Munson to Rogers:

- (a) a July 2, 1998 letter with respect to draft Letters of Undertaking for "Jules Verne";
- (b) a February 13, 2001 fax enclosing Flashpoint (UK) Limited Board Minutes;
- (c) a November 6, 1997 fax with respect to Completion Guarantees;
- (d) a July 1, 1998 fax regarding a Letter of Undertaking for "Jules Verne";
- (e) a February 17, 1998 fax regarding amounts held by Leopold Joseph for Rogers and Forrest;
- (f) a September 9, 1997 fax with respect to a transfer of funds for Flashpoint Limited;
- (g) a November 5, 1997 fax with respect to the film, "Hyper-Allergenic;"
- (h) a November 26, 1997 fax enclosing copies of several letters "relating to various Flashpoint matters;"
- (i) a June 5, 1997 letter enclosing a Flashpoint Limited share certificate; and

(j) a July 12, 1996 letter with respect to the incorporation of Flashpoint Limited.

21. Attached as Exhibit S is a true and correct copy of a September 17, 2004 letter to the English Commercial Court endorsed by the Court on September 23, 2004.

22. Attached as Exhibit T is a true and correct copy of a brochure prepared by and describing Flashpoint.

23. Attached as Exhibit U are true and correct copies of the following documents from Munson to Fink:

- (a) a February 3, 1998 letter enclosing agreements with Regent Entertainment;
- (b) a July 17, 1997 letter enclosing agreements with respect to the 7.23 slate of films;
- (c) a September 18, 1997 fax enclosing a draft agreement with Prosperity Pictures;
- (d) a February 13, 1998 letter with respect to meetings in connection with exploitation arrangements relating to the 7.23 slate; and
- (e) a February 7, 2000 fax with respect to the film, "Beautiful."

24. Attached as Exhibit V is a true and correct copy of a May 13, 1998 fax from Munson to Fink.

I declare under penalty of perjury that the foregoing is true and correct, and that this Declaration was executed on October 12, 2004.



Edward P. Krugman